

Message Text

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PAGE 01 STATE 066417

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ORIGIN ERDA-07

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TO USMISSION EC BRUSSELS PRIORITY

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PASS J.H. RUBIN SENIOR ERDA REP

E.O. 11652: N/A

TAGS: TECH

SUBJ: ENRICHMENT CONTRACTS

REF: EC BRUSSELS 01485

1. REF YOUR CABLE DATED FEBRUARY 21, 1975, CONCERNING QUESTIONS SET FORTH BY J. BONJOUR REGARDING SLIPPAGE OPTION.

1) AS STATED IN OUR JANUARY 28 LETTER, A CUSTOMER ONLY HAS TO STATE HIS INTENT TO SLIP BY MARCH 17 AND DOES NOT HAVE TO DEFINE THE AMOUNT OF SLIPPAGE UNTIL LATER.

2) IN SETTING FORTH ERDA POLICY CONCERNING SLIPPAGE IT WAS DETERMINED THAT ALL DELIVERIES INCLUDING THE INITIAL CORE AND ALL RELOADS MUST ADVANCE BY THE SAME AMOUNT AS A BLOCK. IN ADDITION, THE CONSTRUCTION PERMIT (CP) DATE MUST SIMULTANEOUSLY ADVANCE BY THE SAME AMOUNT. SHOULD THERE BE FURTHER SLIPPAGE IN THE CP DATE, THE CUSTOMER MAY EXERCISE HIS RIGHTS AS TO RELOADS UNDER THE CONTRACT BEGINNING WITH THE NEW CP DATE. SUCH DELAY IN CP MUST ACTUALLY OCCUR, HOWEVER,
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PAGE 02 STATE 066417

BEFORE THIS OPTION MAY BE EXERCISED.

3) IT WAS ALSO DETERMINED THT CHARGE OF 7 1/2 PERCENT PER ANNUM COMPOUNDED ANNUALLY ON THE FIRST DELIVERY AFTER JULY 1, 1975, WHICH IN THE CASE OF LEIBSTADT IS THE INITIAL CORE, WOULD BE MADE AND THAT THE CUSTOMER WOULD BE REQUIRED TO CONTINUE DELIVERY OF FEED THROUGH FY 1983 IN ACCORDANCE WITH THE ORIGINAL CONTRACT SCHEDULE. THE 7 1/2 PERCENT CHARGE ON THE VALUE OF THE INITIAL DELIVERY IS NOT ASSOCIATED IN ANY WAY WITH THE DOWN PAYMENTS AND MUST BE KEPT SEPARATE, I.E., THE DOWN PAYMENTS CONTINUE TO BE MADE IN ACCORDANCE WITH THE PROVISIONS OF THE CONTRACT AND THE 7 1/2 PERCENT CHARGE IN RETURN FOR THE DEFERRED REVENUES TO ERDA.

4) MR. BONJOUR IS CORRECT IN HIS STATEMENT CONCERNING THE POSSIBILITY OF DELIVERY OF THE INITIAL CORE OVER A TWO FISCAL YEAR PERIOD AS NOW DEFINED PROVIDED HE UNDERSTANDS THAT THIS CAN BE NO MORE THAN 365 DAYS.

2. WE REALIZE THIS IS LATE; HOWEVER, THE INFORMATION MAY SERVE IN ASSISTING YOUR CUSTOMER IN MAKING HIS FINAL DECISION AS TO THE AMOUNT OF SLIPPAGE HE ACTUALLY TAKES.

3. FOR YOUR INFORMATION, A CABLE WAS SENT ON MARCH 13 DIRECTLY TO MR. BONJOUR ANSWERING A DIRECT TWX FROM HIM AND WHICH ANSWERED MOST OF THE QUESTIONS IN YOUR CABLE BUT IN LESS DETAIL. KISSINGER

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